

# TENNESSEE REGULATORY AUTHORITY

Deborah Taylor Tate, Chairman  
Pat Miller, Director  
Sara Kyle, Director  
Ron Jones, Director



2003 JUL 25 AM 8:08

T.R.A. DOCKET ROOM

460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

July 24, 2003

Henry Walker, Esq.  
Boult Cummings Conners & Berry  
P. O. Box 198062  
Nashville, Tennessee 37219

Re: Petition of RBS Gas Utility, Inc. for Approval of Special Contract  
Our Docket No. 03-00427

Dear Mr. Walker:

Henry, I have some follow-up questions. Your prompt reply will enable the Staff to complete our investigation as quickly as possible. Consider this as Data Request #2, and it will be due back by August 4, 2003.

1. The Company states in its response that the only cost is a \$7,500 meter. Is this the total cost of the meter installed, or is there a service line and hook-up required? If so, what is the total cost of this project?
2. What is the estimated average volume that Nestle calculates it will need during a twelve month period? Does Nestle plan to buy all its estimated needs for gas itself and only buy gas from RBS during abnormal circumstances? Complete the following worksheet for transportation cost only.

Total cost of project \_\_\_\_\_

Month	Volume Delivered MMMBTU	X	Rate	=	Revenue
September 2003	2,500		.50		\$1250
"					
"					
August 2004	_____				_____
Total					

Payback period \_\_\_\_\_

3. Provide a comparison of gas cost compared to alternate fuels. Complete the following worksheet.

Cost of 1000 MMBTU's of Gas  
Cost of equivalent amount of energy -- #2 Oil

\_\_\_\_\_  
\_\_\_\_\_

Cost of equivalent amount of energy #6 Oil  
Cost of equivalent amount of energy Propanel  
Cost of equivalent amount of electricity

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Estimate the volume of gas that will be delivered and/or sold by RBS on a monthly basis.

Estimated volume to be transported

Estimated volume to be purchased from RBS

YEAR 1

YEAR 2

YEAR 3

If you have any questions, let me know at 741-2904, ext 177.

Sincerely,



David McClanahan  
Utility Consultant

DMcC03-25RBS